THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION NO.13872 OF 2006

DATED: 03rd AUGUST, 2006.

Between :

1. Nallapati Siva Rama Chandra Shanker Rao
And 82 others. .. Petitioners

And

1. The Branch Manager, State Bank of India,
Jonnalagadda Branch, Jonnalagadda,
Narasaraopet Mandal, Guntur District.
.. Respondent

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WRIT PETITION NO.13872 OF 2006

ORDER :

This writ petition is filed seeking a declaration that the action of the respondent in deducting Crop Insurance Premium from the crop loans advanced to the petitioners for the Rabi season 2006-2007 as arbitrary and illegal.

The issue involved in this writ petition is squarely covered by a decision of the Division Bench of this Court in ANDHRA PRADESH RYTHU SANGHAM v. UNION OF INDIA[1], wherein it was held as under :

> *"We are of the opinion that the scheme benefits the farmer indemnifying him against the crop loss. The amount of loan will be recovered from the insurance amount thereby a double purpose is served. The poor cultivator is indemnified against loss and the financial institutions which are Co-operative Banks are indemnified against loss by the General Insurance Corporation. This is a social security measure meant for the benefit of rural population and benefits only those who taken loans from the financial institutions. In other words, it is limited to the class of people who are getting subsidized loans from such institutions who themselves have got to be saved against the area in question. Such a Scheme cannot be said to be in any manner, unreasonable or arbitrary."*

In view of the ratio laid down by the Division Bench in the above case, the relief as prayed for cannot be granted.

Accordingly, following the above decision, Writ Petition is dismissed. No costs.

G. ROHINI, J.

Dt. 03-08-2006
gbs

[1] 2002 (2) ALD 486 (D.B.)